ClearCut™ gives energy traders the edge

13 October 2011 - The Met Office today launches a new product aimed to give the edge to those trading in UK power and gas derivatives.

ClearCut is the first weather forecast specifically tailored to UK over-the-counter energy markets.

Using business intelligence from ICAP , the world's premier interdealer broker, and utilising the Met Office's skills as the world's leading short-term forecaster, it is designed to provide the best available information to help decision-makers.

John Faragher, who helped develop the product at the Met Office, said: "Whether a company is looking to hedge against price risk or gain exposure to it, ClearCut can help.

"We have combined our weather and technology expertise with industry insight provided by ICAP, an authority in this market. This has created a service that will help traders make decisions based on information directly relevant to the products they are trading."

Temperature is a key driver of future energy demand and prices. ClearCut provides the latest temperature forecasts and relates them to a range of the most commonly traded products for power and gas.

Forecasts up to two weeks ahead include information on how the latest information has changed compared to previous versions and how it compares to recent observations.

Forecaster commentary is also provided on the general weather outlook to give traders all the weather information they need to make informed decisions.

Paul Newman, Managing Director, ICAP Energy , said; "At ICAP Energy, we are continually looking to add new functionality and new services to our voice hybrid screen offerings. The Met Office is a longstanding leader in collating and managing weather data, much of which can be of direct importance to our customers in the power and gas markets. This can often be most relevant as we move towards the winter months. ICAP Energy is happy to work with the Met Office in helping to offer their innovative product greater access to the markets."

The full ClearCut service contains temperature and swing forecasts for 12 power products, five gas products, and forecaster commentary with an overview of UK weather for the next ten days.

To find out more about ClearCut and to register for the full version, you can email: consulting@metoffice.gov.uk or call the Met Office Weatherdesk on 01392 885680

Contact information

Met Office Press Office: **+44 (0)1392 886655**

E-mail: Press Office

Met Office Customer Centre: **01392 885680**

If you're outside the UK: **+44 1392 885680**

Last updated: 17 June 2014